

D-1184

914

RETURN OF CARPETS ORDERED

District Court Decision
In Case Brought
By Persian

A sequel to a case recently heard before the U. S. Court for China here has come before the First Special District Court which has just delivered judgment for Mr. D. Joukel, of the East West Export and Import Company, against Mr. J. Ogly, for the return of a quantity of Persian carpets. Mr. Joukel was represented by Dr. F. Wilhelm, of Messrs. Musso, Fischer and Wilhelm.

Mr. Joukel recently figured as plaintiff in an action in the U. S. Court for China against the Thriftcor Bank for the return of the carpets or their value, alleging that the carpets had been unlawfully mortgaged to the bank by a third party.

Plaintiff's Case

Dr. Wilhelm told the court that the East West Export and Import Company represented by plaintiff originally was established at Meshad, Persia. Owing to the extension of the company's business, counsel said, Mr. Rosenblum was sent to China to sell its merchandise. Plaintiff subsequently was appointed as representative of the company here. Before his arrival it was stated, the company had already shipped a number of carpets to China for delivery to Mr. Rosenblum. The carpets arrived in Harbin by train and were delivered to the Asiatic Transportation Company.

The greater part of the goods, it was stated, was sold by Messrs. Choorin and Company and the remainder was shipped to Shanghai via Dairen.

Defendant, it was stated, rented certain premises at 4, Ezra Road, for storage of carpets. When the lease on the premises terminated, it was stated, plaintiff agreed to allow defendant to look after the storage of a number of carpets. Out of 23 carpets it was alleged, only seven were subsequently returned to plaintiff.

Under the heading of statements by plaintiff and his counsel, the judgment of the court states: "In May, 1930, two months after plaintiff's arrival, two lots of carpets sent

by the East West Export and Import Company of Persia amounting to 27 bales and another lot amounting to three bales had already arrived here from Meshad via Bombay and plaintiff had received the bills of lading from Meshad and had consulted with Mr. Rosenblum. That both of them thought the carpets could be sold in Dairen more easily than in Shanghai.

Bills Of Lading

Defendant not only knew English, but also was the salesman of the East West Export and Import Company and consequently the bills of lading, covering the 27 bales and three bales of carpets were delivered to him by plaintiff with instructions to ship the goods to Dairen to have them stored in the name of the East West Export and Import Company. That the bills of lading were endorsed by defendant proving that that he had received the goods.

Several days later defendant returned the bills of lading which plaintiff filed away, but could not find when plaintiff finally decided to ship the goods to London.

The judgment then referred to a separate criminal action taken by plaintiff against defendant during the trial of which it was stated, the defence was that Mr. Rosenblum owed defendant some

money and that the latter had retained the goods as security for the loan.

Continuing the judgment stated: "It was alleged by plaintiff that counsel for defendant claimed that the 23 carpets were acquired through special circumstances, but could not prove them. That the bills of lading covering the 30 bales and various documents all bore the name of the East West Export and Import Company and therefore, that there was not the slightest doubt that the carpets were the property of plaintiff. That plaintiff had lost the bills of lading and the same were in the hands of defendant."

Shipment Of Goods

"That since defendant had pledged the bill of lading covering 27 bales of the goods to the Thriftcor Bank there was danger that the bill of lading covering the other three bales and another 16 bales would be disposed of by him and also that long storage might cause deterioration of the goods."

Reverting to the defence the judgment stated: "In connection with the 23 carpets, it was claimed that they were sent to Harbin by Rosenblum and delivered to defendant. That the remainder of the goods were shipped to Shanghai from Harbin."

That regarding the application for provisional execution by plaintiff, the court found in that since goods have been shipped to Harbin for years without being shipped and that the plaintiff should be responsible for the preservation of the goods, the court found in that the carpets in question have been shipped to Shanghai from Harbin and that the plaintiff is responsible for the preservation of the goods.

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GODOWN WARRANT IN DISPUTE

Illegal Hypothecation
Is Alleged By
A Persian

Illegal hypothecation of a godown warrant was alleged against Mr. M. J. Ogly by Mr. D. Joukel, a partner of the East West Export and Import Company, when bringing an action before Judge Milton D. Purdy, in the U. S. Court for China yesterday, against the Thriftcor Bank for the return of the warrant or for its equivalent: Kram 113,933.65 Persian money. The case was adjourned.

The godown warrant was for 27 bales of Persian carpets. In his complaint Mr. Joukel stated that the East West Export and Import Company was a co-partnership with head office in Meshed, Persia. In May, 1930, the complaint stated, plaintiff arrived here and became acquainted with Mr. Ogly through a business associate. Not long after, he said, his firm shipped to him the 27 bales of carpets and Mr. Ogly volunteered to assist him in landing the goods and obtained the documents from him. Instead of executing the godown warrant in favour of the East West Import and Export Company, the complaint continued, Mr. Ogly had it made out in his own name and on March 24, "surreptitiously" secured the godown warrant having access to his office, and subsequently placed the warrant as security to the Thriftcor Bank against a personal overdraft of Mr. Ogly. In due course, it was stated, Mr. Ogly withdrew various sums from the bank amounting to \$266.29 and Tls. 2,215.88.

Mr. Joukel said he later asked the bank for the return of the warrant, offering to pay any sums owing to the bank by Mr. Ogly, but without avail.

File under 099



D. L. (Crime)

Information.

J. H. Givens

O. i/c Sp. Br.

SEP. 28 1932

RECORDS & S. L. REGISTRY

S. B. D. 1184

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IMPORTANT NOTICE

NOTICE is hereby given that in the case of D. J. Joukel vs. M. G. Ogly where the complainant charges the defendant criminally misappropriating his property, judgment was given on November 18, 1931, by the First Special District Court of Shanghai to the effect that the defendant, M. G. Ogly was not guilty and the charge was thereby dismissed.

WEI & SU,
Attorneys for M. G. Ogly.

10549

OK. S.B.

Information.

JBK.

27/11

File 9/11/31

SHANGHAI MUNICIPAL POLICE

REPORT

SHANGHAI MUNICIPAL POLICE	
C. & S. B. REGISTRY	
No. S. B. D. 118	File No.
Date 19.11.31	Station, S.1

Date Nov 19 1931

Subject (in full) Document, of a suspicious nature found in the possession of
M.G.Ogly

Made by Supt Tan Shao Liang

Forwarded by Henry Robertson, C.S.I.

Mr. Wong Oo Ching Nanking political agent, has promised to arrange through Nanking for an order to be issued to the Shanghai Special District Court to bring cases of this nature to the notice of the Special Branch.

Tan Shao Liang
Superintendent.

Officer i/o S.B.

File
9/11/31
19.11.31.

SHANGHAI MUNICIPAL POLICE

REPORT

SHANGHAI MUNICIPAL POLICE

C. & S. B. REGISTRY

No. S. B. D. 1184

Section 2. State

File 17.11.31

Date November 17, 1931.

Subject (in full) M.G. Ogly.

Made by D.S. Tcheremshansky.

Forwarded by *[Signature]*

With reference to the extract from the French Daily Intelligence Report of November 7, 1931 on the subject of the above, inquiries show that this individual appeared before the Shanghai Special District Court on November 4, on a charge of misappropriating a quantity of carpets to the value of approximately Tls. 30,000, the property of one Davoud Joukel, Persian, residing at No. 12 Chusan Road. The case was remanded for one week, Ogly being ordered to be released on security failing which he would be detained in custody. On November 10, the necessary security was furnished by one George Hoper of American Mineral Sanitarium, No. 1205 Bubbling Well Road. At the hearing on November 11, the case was remanded until November 18. The history and record of M.G. Ogly as known to the Municipal Police are as follows.

M.G. Ogly, Persian, was formerly an important member of the G.P.U. (State Political Police) in Vladivostok. In 1926 he was attached to the Soviet Consulate in Harbin and was employed as a secret courier operating between Harbin, Chita and Habarovsk.

During January 1930, in company with one Z. Rosenblum, a suspected agent of the G.P.U., he arrived in Shanghai. Shortly afterwards they established at No. 109 East Broadway, a trading company under the name of "East West Export and Import Company". At this address they carried on business as importers of valuable Persian carpets and dried fruits until May 1931 when they removed to No. 4 Edward Ezra Road. Here they remained until September 1931, when the office was removed to No. 55, Baikal Road, the residence of Ogly.

The carpets, it is said, were supplied through the Gostorg (Soviet Trade Mission) and had been confiscated by the

SHANGHAI MUNICIPAL POLICE.

File No. _____

REPORT

(2)

Date _____ 19

Station, _____

Subject (in full) _____

Made by _____

Forwarded by _____

G.P.U. in Russia.

On October 13, Ogly was arrested at his home by the Shanghai Judicial Police on the authority of a despatch issued by the Harbin Court, on a charge of having failed to pay the sum of Yen 1,000, adjudged to one Professor Engelfeld, resident of Harbin, as the outcome of same civil dispute. Ogly appeared before the Execution Court on the same date and tendered \$206 in cash together with a cheque on a certain local bank for the balance, to Mr. M.E. Gilcher, Russian lawyer, the legal representative of Professor Engelfeld. It is reported that when the cheque was presented it was returned owing to insufficiency of funds.

A cursory examination of the documents found in the possession Ogly, made by the Judicial Police disclosed that he had certain business connections with Soviet officials and concerns and that when he communicated with addresses in Harbin, he sent his messages in code. It was also ascertained that he had made several trips to South China.

Attached herewith is a copy of the original complaint lodged on October 10, 1931, by L. Joukel against Ogly at Wayside Station who referred him to the Shanghai Special District Court for civil action, together with a cutting from the North China Daily News of November 3, concerning this case.

Further information regarding the activities of Ogly is contained in the file No.D.1184.

* No trace,
was attached
dip.

29/11.

D. S.

Officer i/c Special Branch.

Sept. Jan.
Please arrange
through Chinese authorities whose
cases of this nature brought
into Special Branch.

18/11/31

COPY

The Shanghai Municipal Police.

Petitioners: Persian Subject Davoud Doukel

residing 12 Chusan Road Room 2, Shanghai.

My brother, with another Persian subject and myself formed a partnership named The East Export & Import Co. in Meshed, Persia.

It was intended that Messers Rosenblum, Sherel and a Persian by the name Ogly, all resident in China should be the other partners in the Co. They were to contribute a certain proportion of the capital.

But no one of them paid any money.

In May the Head Office in Persia Forwarded to Shanghai 30 packages of Persian carpets of the value of Taels 30000, total 107 carpets, and these were addressed in my name.

The carpets arrived in Shanghai in July 1930. As our firm had a Branch in Shanghai and Ogly was working in this Branch I endorsed the Bills of Lading and asked Ogly to receive the carpets and to ship them to Lairen, where I intended to sell them. This transaction was made through the Chinese Eastern Railway.

Ogly stored the carpets in Lairen with the Chinese Eastern Rwy Agency but stored them not in the name of our Company but in his own name.

I ask Ogly many times to deliver the carpets to the Co, of which I am the sole representative in China acting under a power of attorney issued in Meshed. I intended to ship the carpets to London. But Ogly refused to return the carpets to the Co.

In the mean time I received information that Ogly had mortgaged to the Thrifcor Bank Shanghai 6-8-a Kiukiang Road, the documents of the carpets stored in Lairen.

In addition to refusing to deliver the above mentioned carpets Ogly misappropriated 23 persian carpets belonging to the same Co. and which had remained unsold in Shanghai. He reported that they were at Mr. Ezra's on approval but the latter denied it and said that they had been taken back by Mr. Ogly. I have reason to suppose that some of the carpets are stored at 85 Baikal Road, in the residence of Mr. Ogly.

Mr. Ogly also was unable to account for saffron and ginseng belonging to the Co.

Mr. Ogly seized all bills and documents belonging to the Co. and refused to restore them.

I am asking the Shanghai Municipal Police to make an urgent investigation of the matter and have the evidence of Mr. Salmon Rosenblum, whose residence is 12 Chusan Road Room 1.

I am also asking for the arrest of Mr. Ogly, who is in hiding, for the seizure of the goods and documents belonging to the Co.

I ask further that Mr. Ogly be brought before the Criminal Court for misappropriation and theft of documents.

(Signed) D. Joukel.

(Dated) October 10, 1931

Shanghai.

PERSIAN SUBJECT IN COURT

Alleged Misappropriation of Carpets

Charged with misappropriating goods valued at approximately Tls. 40,000 belonging to Mr. D. J. Joukel, of the East-West Import & Export Co., M. J. Ogly, a Persian, was arraigned before Judge Shen in the Special District Court yesterday. The case was remanded for a week, accused being ordered to be held by Police unless he was able to put up a guarantee for his presence in Court whenever required.

Complainant, represented by Dr. F. Wilhelm, of Messrs. Mues, Fischer & Wilhelm, told the Court that he represented the East-West Import & Export Co. and arrived in Shanghai in May, 1930. Two months after his arrival here, he received from Persia documents (bills of lading, invoices, etc.) covering a shipment of 30 bales of carpets for the China market. Being for the first time in China and unfamiliar with conditions here, he was advised by accused not to import carpets to Shanghai on the ground that heavy customs duty would be payable, but to forward the whole shipment to Dairen where the goods could be stored in godowns.

He took accused's advice and handed over the shipping documents to accused who then shipped the goods to Dairen, but, instead of depositing the goods in the name of the complainant, or the East-West Import & Export Co., as he had been instructed to do so, he deposited the goods in his own name, a fact which became known to complainant when he intended to ship the goods to London. He further discovered that accused not only had stored the goods in his own name, but had pledged the godown warrant covering 27 of the 30 bales of carpets with an American bank in Shanghai for the sum of \$2,000, and when he was requested to return the godown warrant, etc., to the complainant, he refused to do so.


Accused, the complainant told the Court, also kept in his possession 23 carpets, which were also complainant's goods, and he had disposed of part of the goods and kept the proceeds of sale. As accused had taken unlawful possession of documents and papers not belonging to him and refused to return the same to their owner, the Court was requested to deal with accused according to law and to refuse bail for him because it was feared that he would abscond from Shanghai in the event of his being bailed out, stated complainant.

Questioned by the Court, accused denied the charge and stated that the 30 bales of carpets in question had been pledged with him by a foreigner who owed him a considerable sum of money.

Translation of extracts from French Police Daily
Intelligence Report dated November 7, 1931

Para.5. M. OGLY ARRESTED FOR FRAUD.

We are informed that **M. Ogly** an auxiliary agent of the G.P.U., and "proprietor" of the "China Persia Co." (No.4 Ezra Road) dealing in carpets exported from the USSR, was arrested for fraud on November 3rd and is at present detained at the Central Police Station of the International Settlement.



C. I. D.

FILE No. D. 1184

SUBJECT:

A. J. East, West Import
Export Co., 269 East
Broadway.

SENT TO

NAME

DATE

S. (2) (D)	26 - 9 - 30.
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Not attached to
Central Station file
C. 1278/30 on Dec 1939

No trace.

Efforts to obtain copies of report made
by S2 on this subject have been unsuccessful.
McClarke D.C. ordered ^{in 1939} that no copies of
reports were to be kept by detectives attached
to Section of Special Branch